

LETTER OF AGREEMENT

Date: _____

MCO

Superior HealthPlan
2100 South IH-35, Suite 200
Austin, TX 78704

LOCAL GOVERNMENT ENTITY D/B/A FACILITY

Provider Facility Name _____

Provider Facility Address _____

The purpose of this letter of Agreement ("LOA") by and between Superior HealthPlan, Inc. ("Superior") and Local Government Entity dba Nursing Facility ("Facility") is to evidence the agreement of the parties regarding a federal match program from the Centers For Medicare & Medicaid Services ("CMS") under which CMS will match the funds provided by the Texas Health and Human Services Commission ("HHSC") for Medicaid members who enroll with a managed care organization that is contracted with a Health-Related Institution under the Quality Incentive Payment Program (the "Program"). A complete program description is attached hereto as Exhibit A and is incorporated herein. This LOA shall become effective on _____ (the "Effective Date").

1. Superior and Facility each desire to participate in the Program and to provide the Program services as specified on Exhibit A through _____ (Exhibit title - one Exhibit per project), attached hereto and incorporated herein, which shall be implemented and performed in accordance with applicable state and federal law, including the most recent HHSC QIPP Concept Paper and necessary approvals by HHSC. Facility represents that Facility meets all the qualifications to participate in the Program as required by HHSC.
2. For the purposes of this LOA, the parties agree to comply with the terms and conditions of the Provider Participation Agreement by and between Superior and Facility dated _____.
3. The parties acknowledge and agree that all information related to the Program created and/or furnished by one party to the other party as a result of this LOA is proprietary and confidential. Facility and Superior agree not to use such proprietary and confidential Information except for the purpose of carrying out their obligations under this LOA. Neither party shall disclose any proprietary and confidential information to any person or entity without the other party's express written consent, except as required pursuant to applicable laws regulatory requirements or legal order, in which case such party shall immediately notify the other party of the receipt of any such request for disclosure prior to the disclosure. The parties further

acknowledge and agree that HHSC may be required to produce documents related to the Program and this LOA upon request from CMS, the State of Texas, or other regulatory entities.

4. The parties acknowledge that, In connection with the Program, each may be acquiring and making use of "protected health Information" ("PHI") as defined at 45 CFR §160.103 (as such provision is currently drafted and subsequently updated amended or revised) which is subject to the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the federal Standards for Privacy and Security of Individually Identifiable Health Information ("Privacy and Security Rule") promulgated thereunder. Each party shall comply with the applicable provisions of HIPAA, the Privacy and Security Rule, as well as the Health Information Technology for Economic and Clinical Health Act ("HITECH"), any other regulations promulgated under HIPAA or HITECH, and any other applicable law, and each party shall require its personnel and other persons engaged in the provision of services hereunder to comply with same.
5. Any party may terminate this LOA with or without cause upon one hundred eighty (180) days' prior written notice to the other party. All Program funds owed and applicable to all periods prior to termination must be distributed In accordance with the terms of this LOA. Unless terminated by any Party, this LOA will remain in effect as long as CMS and HHSC continue the Program.
6. The parties hereto represent to each other that, to their knowledge, this Agreement (i) has been validly executed and delivered, and (ii) has been duly authorized by all corporate action necessary for the authorization.
7. This Agreement shall be construed and Interpreted in accordance with the laws of the State of Texas.
8. This Agreement is solely for the benefit of Facility and Superior and will not be construed to give rise to or create any liability or obligation to, or to afford any claim or cause of action to, any other person or entity.
9. To the extent any of the provisions included in the Provider Participation Agreement are required pursuant to applicable law and regulatory requirements, such provisions are hereby incorporated by reference in this LOA.
10. To the extent permitted by law, each party agrees to indemnify, defend, and hold harmless the other party from and against any and all liability, loss, claim, damage or expense, including defense costs and legal fees, incurred in connection with a breach of any representation and warranty made by a party In this LOA, and for claims for damages of any nature whatsoever, arising from a party's performance or failure to perform its obligations hereunder.
11. Superior agrees to remit to Local Government Entity the Net Payment based on the agreed project proposal(s) in the Exhibits as approved by HHSC. Net Payment includes the Gross Program Value less MCO Administration and Taxes, as detailed and approved by HHSC. Superior agrees to calculate the Net Payment amount and request payment to Local Government Entity by the 10th business day of each month.
12. The parties agree that a percentage of the total funding for the Program may be at risk of recovery if the Program metrics agreed upon by the parties are not met. Superior may recoup funding from Local Government Entity if Facility fails to meet the metrics described in the Program, and if HHSC recovers such funding from Superior. Upon determination by HHSC that any improper payment or overpayment is due from Local Government Entity to MCO as

described above, MCO shall first give Local Government Entity notice of such recovery and will request reimbursement via check for such an overpayment. If reimbursement is not received within thirty (30) days following the date of such notice, Superior shall be entitled to offset such overpayment against any other amounts due and payable by Superior to Local Government Entity in accordance with applicable law.

Please acknowledge your acceptance of the terms set forth herein by signing both enclosed originals of this Letter of Agreement.

Superior HealthPlan

Name: _____

Title: _____

Address: _____

Date: _____

Signature: _____

Local Government Entity d/b/a Facility

Name: _____

Title: _____

Address: _____

Date: _____

Signature: _____

Exhibit A

Description of Program and Program services provided by
Superior and for QIPP Program participation